

Burlington Telecom Advisory Board

DRAFT

December 16, 2014

Special Meeting

Burlington Police Department Community Room

Members: David Provost, Karen Paul (via phone) and David Parker

Member's Absent: Joan Shannon and Vince Brennan

Others Present: Stephen Barraclough, Amber Thibeault, Nick Martin, Stacey Trudo and Jeremy Patrie

Public Members: Jason Pelletier and Lauren-Glenn Davitian

Meeting commenced at 5:34 p.m.

1. Agenda

MOTION to approve the agenda made by *Paul*, seconded by *Parker*. *Unanimous*.

2. Approval of Minutes from November 12th BTAB meeting

MOTION to approve the minutes from the November 12th Burlington Telecom Advisory Board ("BTAB") meeting, made by *Parker*, seconded by *Paul*. *Unanimous*.

Roll Call: *Paul*, Yes

Parker: Abstain due to the fact that he was absent from the meeting.

Provost: Yes

Need to verify that the amount of votes on this item is sufficient.

3. Public Forum: None

4. Operational Update – BT Management

1. *Barraclough* reviewed the monthly financial results for November 2014. EBITA in line with expectations for the month. Gained net 30 subscribers in the past 2 months, which is lower than expected. Current number of customers is at 4934 therefore we will miss obtaining the goal of 5000 customers by the end of the year.

2. *Barracough* explained that BT subleases the upstairs space at 200 Church to a third party entity – the tenant provided notice that they will be leaving March 17th. 4700 square space in good condition which will be vacant. \$6000 a month in rent.
 - a. Work with broker to lease the property. Would like to turn it into co-working space but there are a lot in this area.
 3. Financials: on the verge of approval for closing of financing. Into a major re-forecasting exercise due to the length of the approval for the financing. BT will share this exercise with the BTAB in January. In the initial stages of budgeting for FY16. And early stage of updating 3 year plan – which will run through calendar year 2017.
 4. Bank accounts and general ledger are being set up internally. Recently hired a new financial controller, Dawn Monahan who starts on January 5th.
 5. Price increases – hit this time around with unprecedented content increases. Double or triple the monthly price that we are paying on channels. Increases are such a magnitude that we can't absorb them. We are not alone as this is impacting small operators throughout the U.S. Distributed letter that Burlington Telecom co-wrote with small operators in Vermont (see attached). Depending on what video product you purchase it will cost \$5.00 -\$12.00 more effective January 21, 2015. Burlington Telecom is passing through the costs that we did not expect.
 - a. Discussion regarding which networks were the cause of the increase. *Paul*: indicated that we should speak with Mayor regarding this topic for a more direct approach to the folks in Washington.
 - b. *Parker*: mentioned the bill notice last month regarding the price increase coming. *Trudo* explained that we have had no feedback at this point regarding that bill message. *Barracough* mentioned that we haven't increased rates since 2010, not sure what the impact of customer churn will be. Comcast rates are going up, but not as much as Burlington Telecoms.
5. Status of Citibank Settlement and Blue Water Financing Estimated Closing
- a. *Barracough*: call tomorrow where we may have further update regarding the closing date. Ready to go subject to PSB approval of Blue Water filing which was in response to PSB request. No closing date set as of yet.
 - b. *Provost*: BTAB chair waiting for guidance on recommendations for proposed names for BTAB. Trying to speak with Mayor this week and Councilor Shannon in regards to status. *Paul* mentioned that we need people on BTAB that are up to speed for after the closing and indicated that the list of names is in the works and will provide an update at the next BTAB meeting.

- c. Lauren-Glenn – wanted to mention again the criteria for new people on the BTAB and how important this is.

Brief discussion regarding how/whether to go into executive session to discuss matter that if prematurely disclosed, could put Burlington Telecom at a competitive disadvantage. *Provost* indicated that he would speak with Barraclough about the matter and if it warranted a meeting, a special meeting could be called at a future date.

MOTION to adjourn made by *Paul*, seconded by *Provost* at 6:08 p.m. *Unanimous*.